



**Office of Student Financial Services  
Parent PLUS Loan Fact Sheet for 2019-2020**

**\*\*\* Please note, the 2019-2020 Parent PLUS loan application will be available May 2, 2019\*\*\*  
\*\*\* Fees and Interest Rates listed are as of 2018-2019 \*\*\***

**What is a PLUS Loan?**

**PLUS Loans** (Parent Loan for Undergraduate Students) are low cost federally insured loans to parents of dependent undergraduate students. As a parent, you may borrow through a **PLUS** loan to meet your child's educational cost, less all other financial aid that your student may have been awarded at LIM College.

**Eligibility is not based on need or income, but the parent must not have adverse credit history.**

Repayment begins within 60 days after the second disbursement. However, parents are able to defer repayment.

**Who is eligible for a PLUS Loan?**

You must be a:

- Parent, adoptive parent, or stepparent considered in the Expected Family Contribution (EFC) calculation of a dependent undergraduate student and
- U.S. Citizen, U.S. National, or eligible Non-Citizen and
- Each child for whom you borrow must be enrolled at least half-time and accepted in a program at LIM College.
- Your student must also be in good academic standing meeting the minimum cumulative GPA and earned credit requirements for academic progress at LIM.

**How much can I borrow?**

Parents can apply for the entire cost of attendance (Tuition & Fees, Room & Board, Books & Supplies, Transportation, and Personal Expenses) less all other financial aid awards your student receives.

**What are the basic features and benefits of a federal PLUS loan?**

- It is not dependent on family income or assets. However, a credit check is required.
- The **interest rate** on the PLUS loan is **fixed at 7.00% as of 2018-2019, new rates are not yet available.** In addition, there is a loan origination fee of approximately **4.264 % per disbursement. Interest rate are subject to change on July 1, 2019 and loan origination fees are subject to change October 1<sup>st</sup>, 2019.**
- Does not require collateral or co-signers.
- You may qualify for a deferment if you meet the rules of economic hardship (limited to 3 years).
- Prepayment can be made at any time without penalty.
- The standard repayment plan is 10 years.
- Interest-paid is tax deductible up to certain income limits.

**Once I am credit-approved, what is the next step?**

- You must complete your PLUS Loan Master Promissory Note (MPN)
- LIM will complete the loan origination and certification process.



### What if I am denied a PLUS loan?

- Another parent may apply to see if they meet the minimum credit requirements.
- You can choose to have your application reviewed with an Endorser addendum. The endorser can be another parent or anyone else you know who meets the minimum credit criteria and is willing to co-sign your loan.

**IMPORTANT:** If your PLUS Loan application is denied and endorsed you must complete:

## PLUS Credit Counseling

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### What is PLUS Credit Counseling?

PLUS Credit Counseling will help students and parents understand the obligations associated with borrowing a PLUS loan and assist them in making careful decisions about taking on student loan debt.

PLUS Credit Counseling is required if the U.S. Department of Education has informed you that you have an adverse credit history and you have:

- Obtained an endorser or
- Documented extenuating circumstances to the satisfaction of the U.S. Department of Education

PLUS Credit Counseling can be completed voluntarily at any time. **If PLUS Credit Counseling is completed voluntarily and you are determined to have an adverse credit history by the U.S. Department of Education within 30 days of PLUS Credit Counseling completion, your PLUS Credit Counseling requirement will be considered to be fulfilled.**

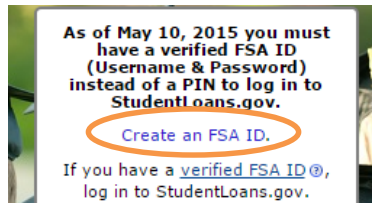
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- If you are ultimately unable to obtain a PLUS credit approval your student will have the option of borrowing an Additional Unsubsidized Stafford Loan of \$4,000 - \$5,000 annually (depending on their year in college).



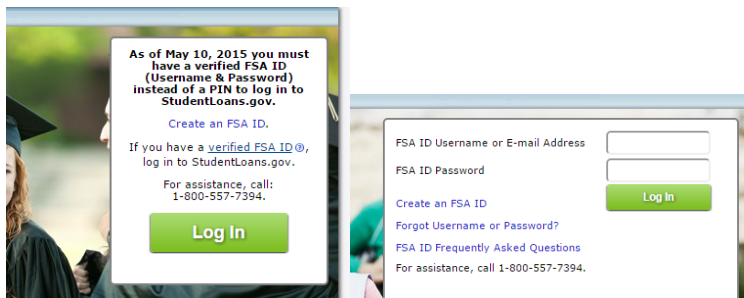
**Office of Student Financial Services  
Applying for a Direct Parent PLUS Loan Online**

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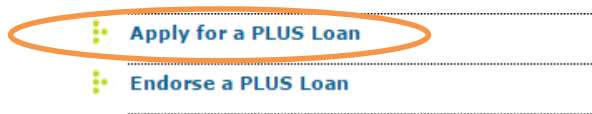
1. You will need your FSA (Federal Student Aid) ID  
If you do not have an FSA ID, please visit <http://fsaid.ed.gov> in order to obtain one.  
Or Click "Create an FSA ID" at <https://studentloans.gov/>



2. Visit <https://studentloans.gov> and log in.



3. Select the option to "Apply for a PLUS Loan."



4. Read through the supplemental information and then select **Complete PLUS Request for Parents.**



### Direct PLUS Loan Request for Parent Borrowers

(Direct PLUS Loans are available to eligible parents of eligible dependent undergraduate students. Parents must be logged in using their own FSA ID.)

Preview PLUS Request  
for Parents

Complete PLUS Request  
for Parents

5. The website will walk you through the 4 steps to completion, and then provide instructions for completing a New Master Promissory Note (MPN).



**Please Note:** The Parent PLUS loan credit decision is valid for only 180 days. LIM College will process the PLUS loan for the amount you indicate on the application up to the cost of attendance minus any financial aid the student is receiving. Annual loan amounts are disbursed in two semesters (fall and spring). There is a 4.264% loan origination fee on all Direct PLUS Loans. The origination fee will be proportionately deducted from each loan disbursement. The loan amount that is disbursed to the school will be the approved amount minus the loan fees. (For example, a PLUS loan in the amount of \$20,000.00 will have \$852.80 in loan fees deducted; therefore the disbursed amount will be \$19,147.20 for the year). **PLUS loans currently have a fixed interest rate of 7.00%.**